

efforts were made, both by myself in repeated visits to New York, and by the financial agents of the State, Messrs. Soutter & Co., to effect this object, but capitalists were not willing to lend on any security I was empowered to offer. Twelve months ago I recommended to the General Assembly as the only means of providing funds necessary, to impose immediately an adequate tax, one half payable in the Spring, the other in the Fall of 1869. I submitted a Revenue bill calculated to raise a sum so large that money might have been borrowed in anticipation of its receipts. I recommended a levy of four tenths of one per cent., the real estate to have the valuation of 1860, with an exemption of only \$100. I foresaw that, owing to causes not necessary to be enumerated, the temper of the public mind would not be favorable to estimating property at its true value. My anticipations have been realized. The General Assembly having provided for a new assessment in 1869, although the returns have not been fully made to the Auditor's office, I am informed that the valuation of land, as well as other property, has been grossly unequal and often under the truth. I am safe in asserting that real estate will not be returned exceeding \$90,000,000, instead of about \$120,000,000 as in 1860. From this source there has been a large falling off in the revenue. The General Assembly concluded that it was not for the interest of the people to enact the provisions suggested. They imposed a property tax, of thirty-five cents on the \$100 value of property, ordered a new valuation in 1869, and exempted \$200 worth of the articles which the Constitution authorized them to exempt, and made the taxes returnable on the 15th of December. The revenue act was not ratified until the 1st of April, 1869.

Funds were in the Treasury sufficient to pay the interest due October 1st, 1868. The January 1st, 1869, interest amounted to \$308,197, and it proved entirely impracticable to borrow money for the purpose of liquidating it on the faith of a revenue act, which had not been passed. The same difficulty existed with the April, 1869, interest, the difficulty of